

RENTAL MARKET REPORT

Saguenay CMA



CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2017



PRIMARY RENTAL MARKET (by bedroom type)			
Bachelor	One bedroom	Two bedroom	Three or more bedrooms
**%	7.1%	5.7%	8.7%
Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
\$403 Avg. Rent	\$472 Avg. Rent	\$605 Avg. Rent	\$661 Avg. Rent

"Due to similar increases in supply and demand, the vacancy rate for rental units remained rather stable in the Saguenay area for the second straight year."

Nicolas Bernatchez
Market Analyst

*CMHC collects data on the primary and secondary rental market annually in the fall. These data refer to the primary rental market, which only includes rental units in privately initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

Highlights:

- The overall vacancy rate for apartments¹ remained relatively stable in the Saguenay census metropolitan area (CMA) in 2017: it was estimated at 6.8% in October 2017 (7% in 2016).²
- The stability of the vacancy rate was noted in all sectors in the area.
- Both the supply of, and demand for, rental units grew moderately over the course of the last year. The rental market, therefore, remained rather soft.
- Owing to the stability of rental market conditions, the estimated change in the average rent remained close to 1% this year (1.3% in 2017 and 0.9% in 2016).³

The recorded vacancy rate in the Saguenay area remained relatively high and stable in 2017

According to the results of the October 2017 Rental Market Survey conducted by Canada Mortgage and Housing Corporation, the vacancy rate for apartments in the Saguenay CMA was estimated at 6.8% this year, while, last year, it was 7%. Considering the margin of error of the Survey, however, this does not represent a statistically significant decrease. Market conditions therefore remained relatively unchanged, and this stability was reflected in all sectors of the area.

Out of the six metropolitan areas in Quebec, the Saguenay area remained, therefore, the one with the largest proportion of vacant units. It should be noted that the economic and demographic environment has been less favourable in the area over the past few years. This has weakened housing demand and also contributed, from 2012 to 2015, to a marked increase in the vacancy rate, which has since remained close to 7% (see figure 1).

Supply and demand continued to grow moderately

As was the case last year, the stability of the rental market in 2017 can be explained by equally moderate growth in both supply and demand⁴. On the supply side, a little over 100

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new conventional rental units were completed over the course of the last year⁵. This figure represents just a moderate increase in supply when compared to average annual completions since the beginning of the decade (see figure 2).⁶ Indeed, the construction of rental units has slowed over the last few years as a result of the relatively high vacancy rate for existing units.

Figure 1



Source: CMHC

¹ The Rental Market Survey (RMS) is based on privately initiated rental apartment structures of three or more units.

² Considering the Survey's margin of error, the variation in the Saguenay CMA vacancy rate from 2016 to 2017 is not statistically significant.

³ When comparing year-over-year average rents, the age of the building needs to be taken into consideration because rents in newly built structures tend to be higher than in existing buildings. By comparing rents for units that are common to both the 2017 and 2016 Fall Rental Market Surveys, we can get a better indication of actual rent increases paid by most tenants.

⁴ The overall vacancy rate for apartments remained relatively stable from 2015 to 2016: it was estimated at 7.0% in October 2015 and at 7% in October 2016.

⁵ From July 2016 to June 2017, 107 conventional rental units were completed. Units in seniors' residences are not included in the "conventional rental" category.

⁶ The average number of annual conventional rental unit completions for the period July 2009 to June 2017 is about 155 units.

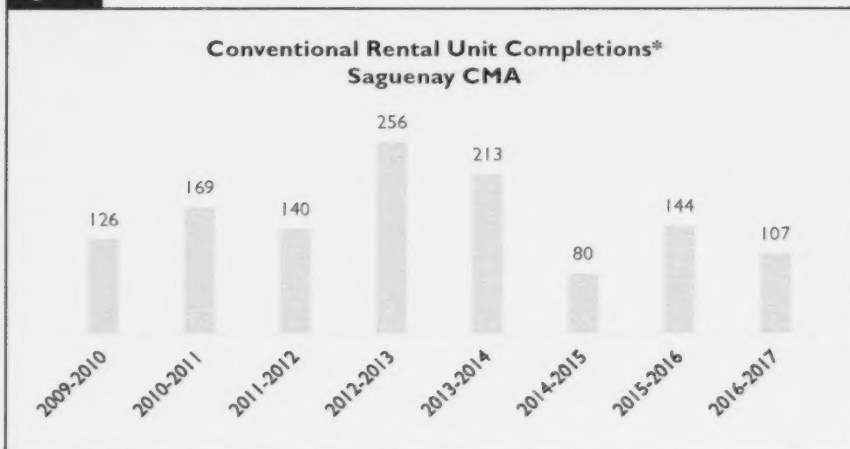
Given that the proportion of vacant units remained stable this year, the moderate increase in supply was likely offset by a similarly moderate increase in demand. This uptick in demand could partly be explained by the large aging population in the area, with some older households opting for conventional rental units. In addition, the area's job market has strengthened over the last year, and it is probable that the migration deficits among young people have been reduced as a result⁷, which would, in turn, have supported rental demand.

In general, the supply of rental units in the Saguenay area remained rather high relative to demand. Weak population growth, in particular, recorded over the last few years, continued to restrict increases in housing demand.

The vacancy rate increased in newer buildings and decreased in larger buildings

Despite the stability of overall market conditions, some movement was observed when the rental stock was examined by age and size. For buildings constructed between 1990 and 2004, an increase in the vacancy rate was recorded, from 2.2% in 2016 to 5% in 2017. This proportion of vacant units is still lower than that recorded for older buildings⁸, which could indicate that renter households have a preference for more modern apartments. It should be noted, however, that, due to issues related

Figure 2



Source: CMHC.

*Rental apartments, not including units in seniors' residences.

Periods run from July of one year to June of the following year.

to confidentiality or the reliability of data, vacancy rates are not available for the most recent buildings (those constructed since 2005).

As for the largest buildings (those containing 20 to 49 units)⁹, the vacancy rate fell slightly, from 9.8% in 2016 to 7.7% in 2017. However, it was in the smallest buildings (those containing three to five units) that the vacancy rate was the lowest in 2017, at an estimated 5.8%.

The average rent in the area increased by a little over 1%

Given that the vacancy rate remained relatively high, competition on the area's rental market continued to prove rather intense, and this restricted the growth in rents.

As such, from 2016 to 2017, the estimated change in the average rent for apartments was estimated at 1.3% (compared to 0.9% in 2016 and 0.7% in 2015)¹⁰. The average rent for two-bedroom apartments in the Saguenay CMA was estimated at \$605.

This year, it was again the more central sectors that had the highest average rents (\$640 for two-bedroom apartments in Chicoutimi-Sud, and \$598 in Jonquière), while the La Baie sector had the lowest (\$518).

⁷ Net migration, which is the difference between the number of people who arrived and settled in the area and the number of people who left the area, was negative from 2011 to 2016, according to Statistics Canada estimates (data as of September 26, 2017). This result is largely attributable to the migration of young people aged 20 to 30, an age group in which the proportion of renters is high.

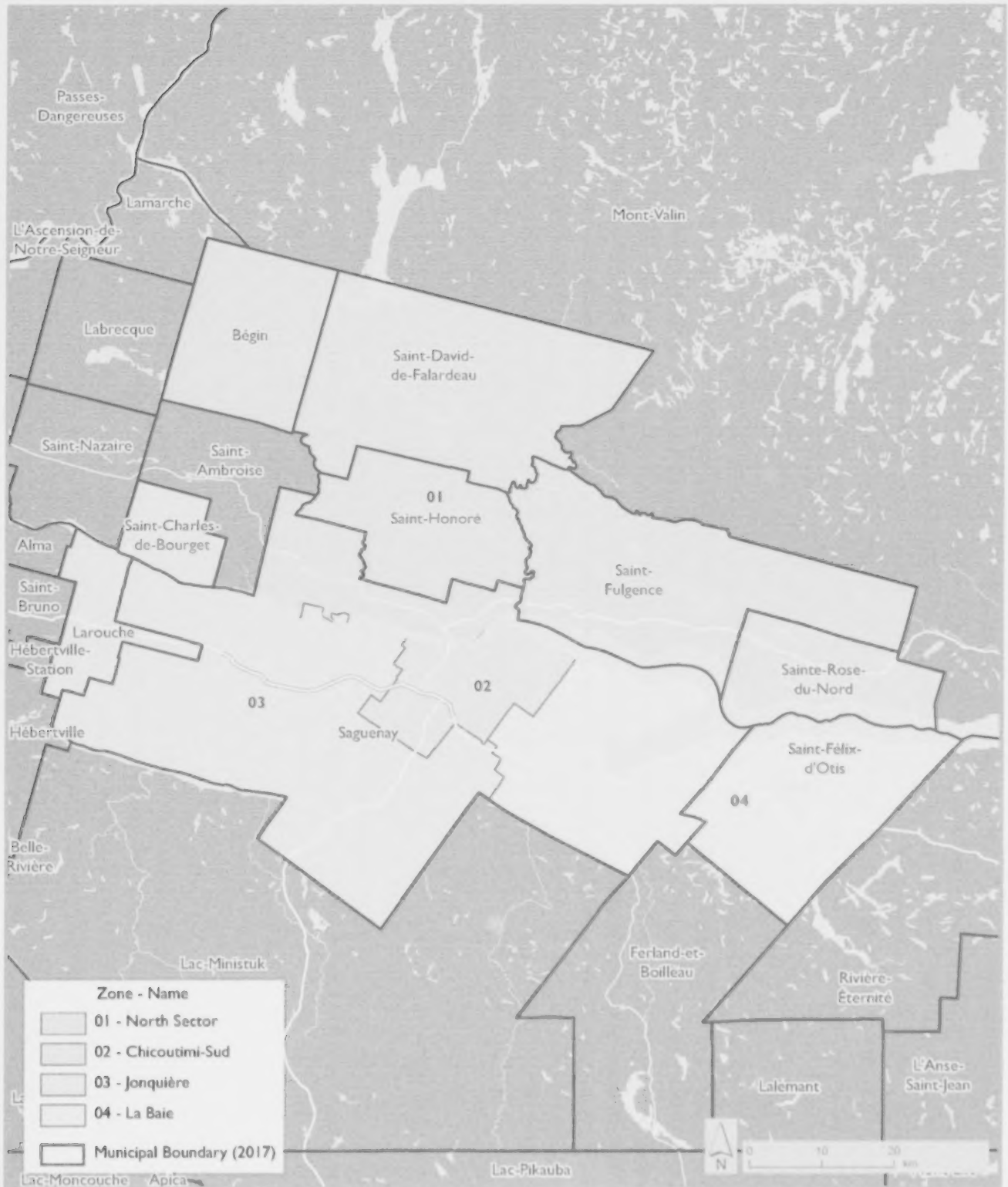
⁸ In 2017, the vacancy rate for apartments was estimated at: 7% in buildings constructed between 1960 and 1974; 79% in buildings constructed between 1975 and 1989; and 6.9% in buildings constructed before 1960.

⁹ Data for buildings with 50 or more units was not released for reasons of confidentiality and statistical reliability. Units in this building type represent less than 1% of the Rental Market Survey universe.

¹⁰ In 2013 and 2014, the estimated change in the average rent was 2.2% and 2.1%, respectively.

The tenant turnover rate for apartments remained stable

Last year, CMHC included a new measurement in the Rental Market Survey: the tenant turnover rate. This rate gives the proportion of apartments that changed tenants over the course of the year. In 2016, 20.6% of apartments in the Saguenay CMA changed tenants at least once. While some variations were observed for individual sectors, apartment types or building sizes, the overall tenant turnover rate for the CMA was 21.1% in 2017, which indicates a certain general stability in tenant mobility compared to last year. It should be noted that this rate is slightly higher than the provincial average of 18.5%.



RMS ZONE DESCRIPTIONS - SAGUENAY CMA

Zone 1	Northern Sector – Chicoutimi-Nord, Saint-Honoré, Shipshaw, Canton-Tremblay, Saint-Fulgence, Saint-David-de-Falardeau, Bégoin and Sainte-Rose-du-Nord
Zone 2	Chicoutimi-Sud
Zones 1-2	Chicoutimi and Northern Sector
Zone 3	Jonquière – Jonquière, Laterrière, Larouche, Lac-Kénogami and Saint-Charles-de-Bourget
Zone 4	La Baie – La Baie and Saint-Félix-d'Otis
Zones 1-4	Saguenay CMA

RENTAL MARKET REPORT TABLES

Available in ALL Rental Market Reports

Private Apartment Data:

- 1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
- 1.1.2 Average Rents (\$) by Zone and Bedroom Type
- 1.1.3 Number of Units in the Universe by Zone and Bedroom Type
- 1.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
- 1.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
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- 1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
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- 1.3.3 Vacancy Rates (%) by Structure Size and Zone
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- 1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Row (Townhouse) Data:

- 2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
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- 2.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
- 2.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
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Private Apartment and Row (Townhouse) Data:

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- 3.1.3 Number of Units in the Universe by Zone and Bedroom Type
- 3.1.4 Availability Rates (%) by Zone and Bedroom Type (Not available for Québec centres)
- 3.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
- 3.1.6 Turnover Rates (%) by Zone and Bedroom Type

Available in the Halifax, Quebec, Montreal, Gatineau, Ottawa, Toronto, Hamilton, Kitchener-Cambridge-Waterloo, London, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Kelowna, Vancouver and Victoria Reports

Rental Condominium Apartment Data

- 4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
- 4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents (\$) by Bedroom Type
- 4.1.3 Rental Condominium Apartments - Average Rents (\$) by Bedroom Type
- 4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
- 4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
- 4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Project Size

I.1.1 Private Apartment Vacancy Rates (%)
by Zone and Bedroom Type
Saguenay CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - North Sector	**	**	**	**	2.7	3.9	**	**	3.9	3.8
Zone 2 - Chicoutimi-Sud	**	**	**	5.6	5.7	6.1	**	**	6.0	6.8
Chicoutimi & North Sector (Zones 1-2)	5.5	**	**	5.1	5.2	5.7	5.3	**	5.6	6.2
Zone 3 - Jonquière	**	**	12.2	**	**	5.1	**	**	9.0	7.3
Zone 4 - La Baie	**	**	4.3	**	**	**	4.5	**	6.3	7.7
Saguenay CMA	**	**	8.2	7.1	6.4	5.7	6.8	8.7	7.0	6.8

I.1.2 Private Apartment Average Rents (\$)
by Zone and Bedroom Type
Saguenay CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - North Sector	**	560	456	444	515	548	636	638	538	551
Zone 2 - Chicoutimi-Sud	369	392	476	488	624	640	674	701	575	594
Chicoutimi & North Sector (Zones 1-2)	387	415	473	481	607	626	661	679	568	586
Zone 3 - Jonquière	389	387	469	461	583	598	672	690	567	577
Zone 4 - La Baie	**	**	438	449	505	518	535	538	498	508
Saguenay CMA	386	403	469	472	587	605	645	661	560	575

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

**1.1.3 Number of Private Apartment Units in the Universe
by Zone and Bedroom Type
Saguenay CMA**

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - North Sector	15	16	208	218	987	965	264	270	1,474	1,469
Zone 2 - Chicoutimi-Sud	195	205	1,427	1,435	4,082	4,075	738	750	6,442	6,465
Chicoutimi & North Sector (Zones 1-2)	210	221	1,635	1,653	5,069	5,040	1,002	1,020	7,916	7,934
Zone 3 - Jonquière	161	152	1,061	1,077	4,015	3,947	749	764	5,986	5,940
Zone 4 - La Baie	9	7	224	223	1,067	1,009	301	302	1,601	1,541
Saguenay CMA	380	380	2,920	2,953	10,151	9,996	2,052	2,086	15,503	15,415

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹ by Zone and Bedroom Type Saguenay CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17
	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17	Oct-15 to Oct-16	Oct-16 to Oct-17
Zone 1 - North Sector	++	++	++	++	++	++	++	++	++	++
Zone 2 - Chicoutimi-Sud	++	++	2.5	++	++	1.5	++	++	0.8	2.3
Chicoutimi & North Sector (Zones 1-2)	++	++	3.0	++	++	1.3	++	++	++	2.1
Zone 3 - Jonquière	++	++	++	++	++	++	++	++	++	++
Zone 4 - La Baie	++	++	++	++	++	3.2	++	++	++	1.9
Saguenay CMA	++	++	2.6	++	++	++	++	++	0.9	1.3

¹The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

1.1.6 Private Apartment Turnover Rates (%) by Zone and Bedroom Type Saguenay CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - North Sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Zone 2 - Chicoutimi-Sud	0.0	0.0	28.4	20.4	0.0	20.8	0.0	14.7	23.0	20.2
Chicoutimi & North Sector (Zones 1-2)	0.0	0.0	29.1	20.3	19.6	20.2	0.0	0.0	24.7	19.8
Zone 3 - Jonquière	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.4
Zone 4 - La Baie	0.0	0.0	0.0	0.0	13.8	0.0	0.0	0.0	11.7	23.0
Saguenay CMA	0.0	0.0	27.0	21.9	16.9	20.9	21.1	19.2	20.6	21.1

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.1 Private Apartment Vacancy Rates (%)
by Year of Construction and Bedroom Type
Saguenay CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
Pre 1960	**	**	**	**	**	5.6	5.0	**	**	6.9
1960 - 1974	**	**	5.8	7.0	7.0	7.8	**	4.9	6.6	7.0
1975 - 1989	**	**	14.0	**	6.8	6.0	9.9	**	9.3	7.9
1990 - 2004	**	**	**	**	**	**	0.0	**	2.2	5.0
2005+	**	**	**	**	**	**	**	**	**	**
Total	**	**	8.2	7.1	6.4	5.7	6.8	8.7	7.0	6.8

1.2.2 Private Apartment Average Rents (\$)
by Year of Construction and Bedroom Type
Saguenay CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
Pre 1960	375	390	425	429	495	504	587	596	490	494
1960 - 1974	381	415	490	487	567	573	653	661	537	546
1975 - 1989	408	382	489	502	546	553	628	648	547	555
1990 - 2004	**	**	512	491	643	640	675	701	638	640
2005+	**	**	540	**	772	803	844	813	754	785
Total	386	403	469	472	587	605	645	661	560	575

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.3 Private Apartment Turnover Rates (%)
by Year of Construction and Bedroom Type
Saguenay CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
Pre 1960	??	??	??	??	??	??	??	??	21.8	23.3
1960 - 1974	??	??	29.8	21.9	??	19.7	??	??	25.3	21.3
1975 - 1989	??	??	??	??	??	??	??	??	22.0	19.6
1990 - 2004	??	??	??	??	??	??	??	??	??	??
2005+	??	??	??	??	??	??	??	??	??	??
Total	??	??	27.0	21.9	16.9	20.9	21.1	19.2	20.6	21.1

1.3.1 Private Apartment Vacancy Rates (%)
by Structure Size and Bedroom Type
Saguenay CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
3 to 5 Units	??	??	??	??	??	4.9	4.8	??	??	5.8
6 to 19 Units	??	??	9.3	8.7	6.0	6.6	7.8	??	7.7	8.0
20 to 49 Units	1.6	??	4.2	6.3	11.9	8.8	24.5	??	9.8	7.7
50 to 99 Units	-	-	??	??	??	??	??	??	??	??
100+ Units	-	-	-	-	-	-	-	-	-	-
Total	??	??	8.2	7.1	6.4	5.7	6.8	8.7	7.0	6.8

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.3.2 Private Apartment Average Rents (\$) by Structure Size and Bedroom Type Saguenay CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
3 to 5 Units	346	379	440	436	585	610	646	659	565	584
6 to 19 Units	410	416	480	487	580	588	646	654	549	558
20 to 49 Units	409	399	515	529	629	628	590	731	569	581
50 to 99 Units	-	-	??	??	??	??	??	??	??	??
100+ Units	-	-	-	-	-	-	-	-	-	-
Total	386	403	469	472	587	605	645	661	560	575

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Saguenay CMA

Zone	3-5		6-19		20-49		50-99		100+	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Zone 1 - North Sector	??	??	6.1	6.0	??	??	-	-	-	-
Zone 2 - Chicoutimi-Sud	??	5.9	7.4	8.0	5.0	4.6	??	??	-	-
Chicoutimi & North Sector (Zones 1-2)	??	5.1	7.2	7.7	5.0	4.8	??	??	-	-
Zone 3 - Jonquière	??	??	8.9	8.8	15.4	??	-	-	-	-
Zone 4 - La Baie	5.9	??	6.2	7.4	??	??	-	-	-	-
Saguenay CMA	??	5.8	7.7	8.0	9.8	7.7	??	??	-	-

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our [Methodology](#) page.

I.3.4 Private Apartment Turnover Rates (%)
by Structure Size and Bedroom Type
Saguenay CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
3 to 5 Units	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.9	21.9
6 to 19 Units	0.0	0.0	30.0	21.6	14.4	19.9	0.0	17.4	21.9	20.8
20 to 49 Units	0.0	0.0	0.0	17.0	20.3	12.5	0.0	0.0	27.1	17.6
50 to 99 Units	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100+ Units	-	-	-	-	-	-	-	-	-	-
Total	0.0	0.0	27.0	21.9	16.9	20.9	21.1	19.2	20.6	21.1

I.4 Private Apartment Vacancy Rates (%)¹
by Rent Range and Bedroom Type
Saguenay CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17	Oct-16	Oct-17
Saguenay CMA										
LT \$450	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
\$450 - \$499	0.0	0.0	0.0	0.0	0.0	5.2	0.0	0.0	0.0	0.0
\$500 - \$549	0.0	0.0	4.7	4.1	0.0	0.0	0.0	0.0	4.5	8.6
\$550 - \$599	0.0	0.0	0.0	4.2	0.0	5.5	0.0	0.0	11.3	6.5
\$600 - \$649	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
\$650+	0.0	0.0	0.0	0.0	0.0	4.6	5.0	0.0	0.0	5.7
Total	0.0	0.0	8.2	7.1	6.4	5.7	6.8	8.7	7.0	6.8

¹ Vacancy rate by rent range when rents are known. For the Total, vacancy rates include all structures.

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in the previous year vs. \$550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, availability (outside Quebec), turnover and vacancy unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy, availability (outside Quebec), and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR CONDOMINIUM APARTMENT SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the Condominium Apartment Survey (CAS) in late summer and early fall to estimate the relative strengths in the condo apartment rental market. The CAS collects the number of units being rented out and the vacancy and rent levels of these units in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg. The CAS is conducted by telephone interviews and information is obtained from the property management company, condominium (strata) board, or building superintendent. If necessary, this data can be supplemented by site visits if no telephone contact is made.

CMHC publishes the number of units rented, vacancy rates and average rents from the Condominium Apartment Survey. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

RENTAL MARKET SURVEY (RMS) AND CONDOMINIUM APARTMENT SURVEY (CAS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be $\bar{x}$ and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

- a — Excellent
- b — Very good
- c — Good
- d — Fair (Use with Caution)
- ++ — Poor — Suppressed
- +- — Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- — No units exist in the universe for this category
- n/a — Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

Sampling Fraction (%) range

Structures in Universe	(0,20]*	(20,40]	(40,60]	(60,80]	(80,100)
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

Coefficient of Variation (CV) %

Vacancy Rate	0	(0,5]	(5,10]	(10,16.5]	(16.5,33.3]	(33.3,50]	50+
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

- a — If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
- b — If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
- c — If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
- d — If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
- ** — If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

- ↑ indicates the year-over-year change is a statistically significant increase.
- ↓ indicates the year-over-year change is a statistically significant decrease.
- indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.
- △ indicates that the change is statistically significant

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 50,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

October 2016 data is based on Statistics Canada's 2011 Census area definitions. October 2017 data is based on Statistics Canada's 2016 Census area definitions.

Acknowledgement

The Rental Market Survey and the Condominium Apartment Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.

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